

1 **BEFORE THE FEDERAL ELECTION COMMISSION**

2
3 In the Matter of)
)
 Never Stop Dreaming, Inc.) MUR 5384
 Jade Newhart a/k/a Blanche Dugatkin)
 Bill Baulding a/k/a William Dugatkin)

4
5 **GENERAL COUNSEL'S REPORT #3**

6
7 **I. ACTIONS RECOMMENDED**

8
9
10 and (2) Take no further action with respect to Never Stop Dreaming, Inc.

11
12 **II. BACKGROUND**

13 This matter involves allegations that individuals using the names "Jade Newhart" and
14 "Bill Baulding" fraudulently misrepresented their organization, Never Stop Dreaming, Inc.
15 ("NSD"), as acting on behalf of Gephardt for President, Inc. ("Gephardt Committee") in the
16 planning of a fundraiser in September 2003. According to the complaint, NSD signed a contract
17 with the National Museum of Women in the Arts ("the Museum") to hold a fundraiser on behalf
18 of the Gephardt Committee, falsely informing the Museum's staff that its representatives were in
19 direct contact with the candidate, the candidate's wife and campaign committee. The Gephardt
20 Committee, which filed the complaint in this matter, asserted that no person associated with it or
21 Congressman Gephardt had knowledge of the activities of Baulding, Newhart, or NSD.

22 Based on this and other information set forth in the First General Counsel's Report, on
23 November 30, 2004, the Commission found reason to believe that NSD, Jade Newhart, and Bill
24 Baulding violated 2 U.S.C. § 441h(b) by knowingly and willfully participating in, or conspiring

26044134900

to participate in, a plan, scheme, or design to engage in fraudulent solicitation.¹

III. CONCILIATION

Respondents did not respond to the initial notice of the complaint. The preliminary investigation in this matter revealed that Blanchi and William Dugatkin used multiple aliases, including "Jade Newhart" and "Bill Baulding," and changed addresses frequently in an apparent attempt to conceal their whereabouts. Although NSD listed the Washington Suites Alexandria in Virginia as its business address, Respondents' use of aliases rendered this Office unable to ascertain their true identities until early 2005, at which point they had fled the state.² This Office located the Dugatkins in San Antonio, Texas in May 2005 through the use of subpoenas issued to various Internet Service Providers and voter registration records.³ As a result, Respondents did not receive notification of the Commission's reason to believe findings until months after the fact.

¹ On August 25, 2005, the Commission conformed the original reason to believe findings to reflect the actual names of the Respondents, Blanchi Dugatkin and William Dugatkin.

² Our subsequent investigation revealed that Blanchi Dugatkin has an outstanding felony warrant in Florida, where she was convicted of grand theft and is listed as a parole absconder.

MUR 5384
General Counsel's Report #3

26044134902

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22

26044134903

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

Because NSD was, based

on available evidence, exclusively used as a shell through which the Dugatkins knowingly and willfully participated in, or conspired to participate in, a plan, scheme, or design to engage in fraudulent solicitation, we recommend that the Commission take no further action with respect to it.

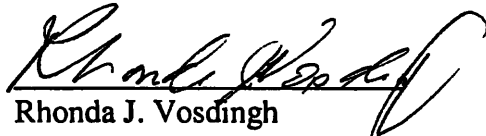
IV. RECOMMENDATIONS


1.

2. Take no further action with respect to Never Stop Dreaming, Inc.

11/15/05
Date

Lawrence H. Norton
Lawrence H. Norton
General Counsel


Rhonda J. Vosdinger
Associate General Counsel for Enforcement


Julie Kara McConnell
Acting Assistant General Counsel

Attachment:

26044134904